Government of Saskatchewan

Annual Report 1985

Saskatchewan Workmen's Compensation Board Superannuation Fund

89-06006/

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His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Workmen's Compensation Board Superannuation Fund for the year ending December 31, 1985.

I have the honour to be, Sir,

Your Obedient Servant

Grant Schmidt

Honourable Grant Schmidt
Minister in Charge
Workmen's Compensation Board

To The Honourable Grant Schmidt
Minister Responsible for the Workmen's
Compensation Board
Regina, Saskatchewan

Dear Mr. Schmidt

I have the honour to submit the Annual Report of the Workmen's Compensation Board Superannuation Fund for the period January 1, 1985 to December 31, 1985 in accordance with Section 55, R.S.S. 1987, of The Workmen's Compensation Board Superannuation Act and amended by The Superannuation (Supplementary Provisions) Act.

Ms. Sophie E. Zaran, Statistics Supervisor, with an annual salary of $23,736, became a superannuate at age 65 with 31 years 188 days of service and was granted a superannuation allowance of $10,438.35 per annum commencing August 1, 1985.

Mr. Ross W. Locke, Rayroll Auditor, died October 30, 1985. Mrs. Madeline M. Locke was granted a spouse's allowance effective October 31, 1985.

Statements showing the financial standing of the Fund and the report of the Provincial Auditor are attached.

Yours truly,

Garnet Garven
Chairman

The Workmen's Compensation Board Superannuation Fund

Financial Statements

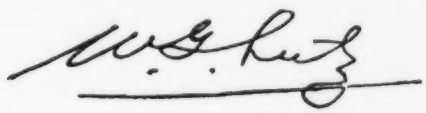
Year Ended December 31, 1985

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Workmen's Compensation Board Superannuation Fund as at December 31, 1985 and the statements of revenue, expenditure and fund equity, and receipts and disbursements for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
April 23, 1986.

W. G. Lutz, F.C.A.,
Provincial Auditor.

The Workmen's Compensation Board Superannuation Fund

Balance Sheet

Statement 1

As at December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Assets		
Cash and short-term deposits	**$1,108,739**	$1,140,765
Investments (Schedules 1 and 2)	**6,822,858**	5,553,697
Accrued interest on investments	**183,678**	151,729
Accounts receivable	**12,369**	2,863
	$8,127,644	$6,849,054
Accounts Payable and Fund Equity		
Accounts payable	**$ 1,800**	$ –
Fund equity (Statement 2) (Note 3)	**$8,125,844**	$6,849,054
	$8,127,644	$6,849,054

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Statement of Revenue, Expenditure and Fund Equity

Statement 2

Year Ended December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Revenues:		
Contributions from the Workers' Compensation Board (Injury Fund)	**$ 393,903**	$ 401,236
Contributions by employees and board members	**193,258**	197,435
Investment earnings, bank interest and sundry income	**878,325**	714,001
Gain on sale of investments	**60,382**	33,803
Total Revenue	**$1,525,868**	$1,346,475
Expenditures:		
Superannuates' allowances	**$ 238,232**	$ 220,953
Refunds to employees leaving service:		
Contributions	**8,423**	7,269
Accrued interest	**2,423**	2,675
Total Expenditure	**$ 249,078**	$ 230,897
Excess of revenue over expenditure for the year	**$1,276,790**	$1,115,578
Fund equity, beginning of year	**6,849,054**	5,733,476
Fund equity, end of year (Statement 1)	**$8,125,844**	$6,849,054

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Statement of Receipts and Disbursements

Statement 3

Year Ended December 31, 1985
(with comparative figures for the previous year)

	1985	1984
Receipts:		
Contributions from employees and board members	**$ 193,249**	$ 214,864
Contributions from Workers' Compensation Board (Injury Fund)	**394,495**	434,835
	$ 587,744	$ 649,699
Interest received	**756,040**	683,652
Long-term investment sales and maturities	**907,066**	1,324,582
Total Receipts	**$2,250,850**	$2,657,933
Disbursements:		
Allowances paid to superannuates	**$ 236,432**	$ 220,953
Contributions refunded or transferred to other retirement plans	**8,423**	7,269
Interest on contributions paid out	**2,423**	2,675
Long-term investments purchased	**2,035,598**	1,818,590
Total Disbursements	**$2,282,876**	$2,049,487
Excess of receipts over disbursements (disbursements over receipts)	**(32,026)**	$ 608,446
Cash and short-term deposits, beginning of year	**1,140,765**	532,319
Cash and short-term deposits, end of year	**$1,108,739**	$1,140,765

(See accompanying notes to the financial statements)

The Workmen's Compensation Board Superannuation Fund

Notes to Financial Statements

Year Ended December 31, 1985

1. **Significant Accounting Policies**

   a) Basis of Accounting

   The accounts are maintained on an accrual basis of accounting.

   b) Investments

   Investments are recorded in the accounts at cost. Any purchased discount or premium is amortized over the period remaining to the maturity date of the investment. When investments are sold prior to maturity, however, any differences between the proceeds and the carrying value of the investments, including any unamortized discount or premium, are taken into revenue or expenditure in that year.

   c) Short-term Deposits

   Short-term deposits are recorded at cost which approximates market value.

   d) Administrative Costs

   The Fund is administered by the Public Employees Benefits Agency. Accordingly no provision for administrative costs has been reflected in these financial statements.

2. **Description of the Plan**

   The Fund was established under The Workmen's Compensation Board Superannuation Act. The plan covers employees and board members who were enrolled at October 1, 1977 and who did not elect to transfer to the Public Employees (Government Contributory) Superannuation Plan prior to October, 1978.

3. **Fund Equity**

   Fund Equity represents the accumulated contributions and earnings that, together with future contributions and interest earnings, will provide for payment of superannuation allowances. (Note 5).

4. **Fund Contributions**

   Member contributions are based on a percentage of salary. The Workers' Compensation Board (Injury Fund) provides contributions to the superannuation fund equal to two times the contributions made by employees and board members.

5. **Unfunded Liability**

   The most recent actuarial valuation of The Workmen's Compensation Board Superannuation Fund estimated that the plan had an unfunded actuarial liability of $817,694 as at December 31, 1985. The Worker's Compensation Board is obligated to fund any deficiency in order to meet the superannuation fund's retirement benefits and refund requirements.

The Workmen's Compensation Board Superannuation Fund

Statement of Investments

December 31, 1985
(with comparative figures for the previous year)

Schedule 1

	1985	1984
Investments:		
Bonds and Debentures:		
Government of Canada	**$ 249,552**	$ 317,794
Province of Saskatchewan	**878,043**	626,301
Guaranteed by Other Provinces	**742,395**	736,343
Municipals	**437,203**	436,472
Corporates	**3,078,479**	2,326,210
	$5,385,672	$4,443,120
Mortgages:		
Morguard Trust Company	**$ 519,327**	$ 264,180
Equities	**917,859**	846,397
Total Investments (Schedule 2)	**$6,822,858**	$5,553,697
Investments at par value	**$7,050,591**	$6,758,950
Unamortized discounts	**$ 227,733**	$1,205,253

Investments had a quoted market value of $7,769,018 on December 31, 1985 (1984 — $5,790,264).

The Workmen's Compensation Board Superannuation Fund

Statement of Investment Transactions

Year Ended December 31, 1985

Schedule 2

Investments, beginning of year	$5,553,697
Add:	
Investments purchased:	
Bonds and debentures:	
9¼% Canada, December 6, 1987	$ 249,552
13% Saskatchewan, December 1, 2002	250,000
12 1/8% Nova Scotia Power, February 14, 2005	250,312
12% Producers Pipeline, June 30, 1995	500,000
	$1,249,864
Equities:	
5,000 Shares, American Hospital Supply	$ 206,815
18,900 Shares, Worldwide Equities	155,074
500 Shares, Imperial Oil Ltd.	27,175
1,500 Shares, Imasco Ltd.	38,235
500 Shares, Inco	8,665
500 Shares, Transalta Utilities	13,415
500 Shares, Alcan Ltd.	18,045
500 Shares, Thomson Newspapers	11,790
1,000 Shares, Hiram Walker	33,580
500 Shares, Trans-Canada Pipelines Ltd.	11,540
	$ 524,334
Mortgages:	
13% L & E Developments Mortgage Administered by Morguard Trust, March 1, 1995	$ 261,399
Amortization of discounts, net of premiums	90,336
Total Additions	$2,125,933
Deduct:	
Investments sold:	
Bonds and Debentures:	
Canada Coupons, March 1, 1996	$ 214,321
Canada Coupons, September 1, 1996	203,273
12% Producers Pipeline, June 30, 1995	10,185
	$ 427,779
Equities:	
2,200 Shares, Moore Corp.	$ 55,913
7,500 Shares, Nova Corp.	46,500
5,000 Shares, American Hospital Supply	217,064
18,900 Shares, Worldwide Equities	163,863
	$ 483,340
Investment principal matured	$ 6,035
Gain on sale of investments	(60,382)
Total Deductions	$ 856,772
Investments, end of year (Schedule 1)	$6,822,858